

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
AUGUST 15, 2016**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, August 15, 2016.

The meeting was called to order by Chairman Rick Stradtner.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Rick Stradtner – Chairman
Keith Masterson – Vice Chairman
Adam Auffart – Secretary
Wayne Schuetter – Electric Commissioner
Roger Seng – Water Commissioner
Alex Emmons – Wastewater Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Tim Doersam – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger- General Manager
Ashley Kiefer – Office Manager
Renee Kabrick – City Attorney

ABSENT:

Michael Kern – Gas Commissioner

PLEDGE OF ALLEGIANCE (DVD-00:58)

Chairman Rick Stradtner led the Pledge of Allegiance.

APPROVAL OF MINUTES (DVD-01:28)

Chairman Rick Stradtner presented the minutes of the July 18, 2016 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Wayne Schuetter made a motion to approve the minutes of the meeting as presented. Roger Seng seconded the motion. Motion approved, 6-0.

MAYOR SEITZ- RESOLUTION ON GRANT FOR FUTURE WATER LINE UPGRADE
(DVD-01:58)

Mayor Seitz and Lisa Gehlhausen, with Indiana 15 Regional Planning Commission, informed the Board regarding the future upgrades for the water line that runs along Hwy 231. Lisa Gehlhausen described the project: the water line would be installed from Bartley Street to Newton Street along 6th Street; from 2nd Street to 6th Street along Newton; on Newton Street from 6th Street to 30th Street and a small section going east along 30th Street.

Mayor Seitz stated that the project will be a challenge as far as the City funding the water line, and the State of Indiana budgeting for the Highway repaving work. Seitz stated that the City is looking into a grant from EDA to fund fifty percent of the Newton Street Water Line Upgrade project. The water line upgrade work would start in the summer of 2018 and then INDOT would follow up with the paving project in the spring of 2019. Hauersperger stated that the water line work would also extend to the Buffalo Flats area to improve water pressure in that area.

Lisa Gehlhausen informed the Board that on July 28th a pre-application was submitted to EDA for the Newton Street Water Line upgrade project. At that time a representative from EDA came to Jasper to review the project. On August 8th the City received a letter from EDA inviting the City to move on to the application stage for the Newton Street Water Line Upgrade project. Gehlhausen informed the Board that EDA said if the City acted quickly they could possibly get fiscal year 2016 funding for the project. Many City departments worked together quickly to gather all the information to complete the EDA application for the funding.

Gehlhausen explained to the Board that the EDA grant opportunity is a fifty percent match for the Newton Street Water Line Upgrade project. Gehlhausen informed the Board that the City is asking for \$1,380,000 from EDA and the City's match would be the same amount. The total Newton Street Water Line Upgrade project cost would be \$2,760,000.

Gehlhausen explained to the Board, that to qualify for the grant the City had to prove that the City's per capita income is less than eighty percent of the national average. Gehlhausen stated that there are 5,860 commuters that come into Jasper to work; this proves that Jasper is an employment center for surrounding counties. The per capita income of the eight county region is 79.33%. Gehlhausen also explained that job creation and private investment was another criterion to qualify for the grant. Meyer Distributing has committed to Phase II expansion, which will provide sixty new jobs and over \$6.1 million in investment. Gehlhausen also stated that EDA liked the integration and cooperation of the City and INDOT working together on this project. All these factors helped the City move on to the application process for the grant. Gehlhausen stated that the City should receive an answer from EDA by September 30th regarding the grant opportunity for fiscal year 2016.

Hauersperger stated the \$1,380,000 for the project will be funded through a loan from the Electric Department to the Water Department, and paid back with interest over a number of years. Wayne Schuetter stated that this is a project that has been discussed for many years and is needed. He feels that this is a good opportunity since INDOT has also committed to the project. Mayor Seitz stated that the application is due tomorrow, therefore a decision by the Board needs to be made this evening regarding the funds for the project.

Alex Emmons made a motion to approve Resolution USB2016-2 regarding a commitment of Utility funds to the Newton Street Water project. Wayne Schuetter seconded the motion. Motion approved, 6-0.

PETITION TO VACATE EASEMENT – LOTS 103 & 104 IN R.J. HOCHGESANG FIFTH ADDITION – NATHAN WAGGNER WITH CASH WAGGNER & ASSOCIATES & CHAD KIEFER & MITZI HEDINGER (DVD-21:23)

Nathan Waggoner with Cash Waggoner and Associates, on behalf of Chad Kiefer and Mitzi Hedinger, request a petition to vacate an easement on lots 103 and 104 in the R.J. Hochgesang Fifth Addition. The purpose of the vacation is due to an electric line that runs down lots 103 and 104 on Clearview Avenue. Kiefer and Hedinger want to move the electric line to an existing easement between lots 104 and 105 with the intention of increasing the lot sizes and building a house in the future. Waggoner stated that the purpose of the replat is due to moving lot lines to allow for building a house across the lot lines.

Jerry Schitter stated that the Electric Department will relocate the electric line at the expense of Kiefer and Hedinger. There are no other issues with any other utility departments.

Adam Auffart made a motion to recommend to the Common Council a petition to vacate an easement between lots 103 and 104 in the R.J. Hochgesang Fifth Addition. Keith Masterson seconded the motion. Motion approved, 6-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-26:50)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the Committee did not meet during the past month.

COMPLETED PHASE 1 GAS PIPE INSTALLATION ON WERNISING ROAD (DVD-26:55)

Tim Doersam informed the Board that the Gas Department has completed phase I and phase II of the gas pipe installation on Wernsing Road.

COMPLETED GAC CAP REPLACEMENT AT WATER TREATMENT PLANT (DVD-27:16)

Tim Doersam informed the Board that the GAC caps have been replaced on four of the filters at the Water Treatment plant as of July 20th. They are planning on replacing the GAC caps on the other four filters next year.

NEW FILTER OPERATOR HIRED – ASHLEY SEATON (DVD-27:40)

Doersam informed the Board that Ashley Seaton was hired as the new unlicensed Filter Operator on August 8th. Seaton is currently taking classes in Evansville to become licensed.

REQUEST PERMISSION TO START THE HIRING PROCESS FOR A LICENSED OR UNLICENSED DISTRIBUTION MECHANIC DUE TO RESIGNATION (DVD-28:03)

Doersam asked for the Board's permission to start the hiring process for a licensed or unlicensed Distribution Mechanic due to the resignation of the crew chief. They will promote from within an existing Distribution Mechanic to the crew chief position and will then need to hire another Distribution Mechanic.

Alex Emmons made a motion to give Doersam permission to start the hiring process for a licensed or unlicensed Distribution Mechanic. Wayne Schuetter seconded the motion. Motion approved, 6-0.

REQUEST PERMISSION TO KEEP APPLICATIONS ACTIVE FOR 12 MONTHS (DVD-30:25)

Doersam asked for the Board's permission to keep applications active for twelve months from today's date for Gas and Water Department positions.

Adam Auffart made a motion to give Doersam permission to keep applications for the Gas and Water Departments active for twelve months from today's date. Keith Masterson seconded the motion. Motion approved, 6-0.

REQUEST APPROVAL ON PROPOSAL FROM MUNICIPAL H2O FOR ASSISTING WITH COMPLIANCE IN EPA'S RISK MANAGEMENT PLAN (DVD-33:00)

Doersam explained to the Board that for the past couple of years he has been involved with EPA and compliance regarding the Clean Air Act. Recently Doersam was informed by EPA that our current Risk Management Plan is no longer in compliance with the Clean Air Act.

Doersam, along with Hauersperger and Cale Knies, discussed with an EPA attorney over a phone conference how to get our plan in compliance. Hauersperger stated the attorney was very vague on how to clean up our plan. Hauersperger informed the Board that Tim, Cale, and Jim Wehr attended a conference regarding Risk Management Plans a couple weeks later. At the conference Municipal H2O was a presenter regarding Risk Management Programs. Hauersperger strongly recommends Municipal H2O assisting the Water Department with their Risk Management Plan.

Hauersperger explained that there is a one-time set up fee of \$3,000 to get all the documents in the plan in compliance with EPA. There is also a \$350 monthly fee thereafter to keep up with EPA changes. The total cost from Municipal H2O for assisting with EPA's Risk Management Plan is \$7,200 for the first year. There is also an automatic yearly renewal of the monthly service fee of \$350 for an additional one-year term, which renews on the anniversary date. Hauersperger feels we may not need to continue the monthly fees after the first year. He feels we may be able to handle the changes in-house after the initial set-up and first year.

Chairman Stradtner stated that the EPA Risk Management Program has nothing to do with our water quality. The Risk Management Program deals specifically with the transportation and management of hazardous chemicals. Attorney Kabrick stated that she needs to review the proposal from Municipal H2O in detail.

Doersam asked for the Board's approval regarding the proposal from Municipal H2O for assisting with compliance in EPA's Risk Management Plan. Doersam also informed the Board that the EPA deadline is October 3, 2016.

Roger Seng made a motion to approve the proposal from Municipal H2O for assisting with the compliance in the EPA's Risk Management Program for a period of one year, pending legal review of the agreement. Wayne Schuetter seconded the motion. Motion approved, 6-0.

BOIL ORDERS (DVD-44:28)

Doersam informed the Board that he has been receiving calls regarding the recent boil orders. Doersam explained that boil orders are unfortunate and an inconvenience for the citizens, but they are a safety measure by the Water Department which ensures that no contaminants get into the line that is being worked on. IDEM regulations states that once we are finished working on a line, two consecutive samples must be taken within 24 hours apart. These samples must pass before the boil order can be lifted.

GAS PLANNING COMMITTEE REPORT (DVD-46:31)

Rick Stradtner, Chairman of the Utility Service Board, stated the Committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-46:36)

Roger Seng, Chairman of the Water Planning Committee, stated the Committee did not meet during the past month.

RESULTS FROM VEHICLE MAINTENANCE TRUCK QUOTE OPENING (DVD-)

Ed Hollinden informed the Board that the low quote for the vehicle maintenance truck was from Uebelhor and Sons for \$22,939. The quote did meet all specifications and has been ordered.

WASTEWATER EMPLOYEE RETIRING (DVD-47:00)

Hollinden informed the Board that Marty Steltenpohl will be retiring later this month. He has worked for the Wastewater Department for ten years.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-47:22)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the Committee did not meet during the past month.

IMPA LETTER PURPA IMPLEMENTATION PLAN (DVD-47:35)

Hauersperger informed the Board that he received a letter from IMPA pertaining to the Public Utility Regulatory Policies Act of 1978 (PURPA). This Act was created to allow Qualifying Facilities(QFs). Qualifying Facilities are generators that produce power through renewable sources. If there are QFs in our area, the PURPA Act requires the City to purchase the power from this renewable energy source in our area.

Hauersperger stated that our contract with IMPA requires us to buy 100% of our power from IMPA, therefore the PURPA Act conflicts with our IMPA contract. Hauersperger stated that the letter received from IMPA requests the City to sign an acknowledgement stating that the City wants IMPA to provide all renewable power available in our area from IMPA rather than directly buying it through a renewable energy source. Hauersperger stated that this scenario would be good for the City, as long as energy is at a high energy cost and IMPA would handle all the regulatory issues regarding purchasing the power. Hauersperger stated that since we have a thirty-year contract with IMPA, he feels it might benefit the City to review the PURPA Act and acknowledgement further before signing it.

Hauersperger asked for the Board's approval to hire outside legal counsel, that is familiar with the regulatory power laws, to review the letter from IMPA, along with our contract and the PURPA Act to determine if signing the letter from IMPA is in our best benefit, or if we can modify the letter from IMPA in any way. Hauersperger stated that he has contacted a few firms and they thought they could review the information and come up with some recommendations for an amount of around \$3,000. If the firm finds reason they can challenge IMPA's contract with the City, the cost will not exceed \$10,000. Hauersperger stated that the deadline date with signing the letter is flexible at this time, therefore there is time to review the information by outside counsel.

Wayne Schuetter made a motion to give Hauersperger permission to hire outside counsel to review the IMPA letter, along with the IMPA contract and the PURPA Act for a not-to-exceed \$10,000. Roger Seng seconded the motion. Motion approved, 6-0.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-57:59)

Adam Auffart reported that the Finance Committee had met and reviewed the claims on the Claim Docket.

Office Manager, Ashley Kiefer, presented preliminary information on pricing and estimated cost per item if credit cards were to be implemented as a method of payment at the Jasper Utility Business Office. The Committee discussed the information presented. More meetings will be scheduled before presenting a recommendation to the Utility Service Board.

The Finance Committee recommended approval of the claims as presented.

Keith Masterson made a motion to approve the claims as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

RESOLUTION TO RECOMMEND CREATING A DEDICATED “EXCESS LIABILITY TRUST FUND” FOR THE WASTEWATER UNDERGROUND STORAGE TANK DEDUCTIBLE (DVD-1:00:04)

Attorney Kabrick informed the Board that the Wastewater Department is the owner and operator of three underground storage tanks. These underground storage tanks are regulated by the Underground Storage Tank Branch of the Office of Land Quality of the Indiana Department of Environmental Management (IDEM).

All owners and operators are required to submit an updated notification form. Kabrick explained that a meeting was held regarding the application process and the guidelines provided by the IDEM representative. Part of the application process involves the identification of the type of mechanism(s) it intends to use for assurance of financial responsibility. Kabrick stated that the City has identified both the Excess Liability Trust Fund, and a separate fund called the Underground Storage Tank Financial Responsibility Deductible Fund.

Kabrick introduced Resolution #USB2016-3 to the Board, which recommends a dedicated fund to provide a financial responsibility mechanism to guarantee available deductible requirements for the City’s petroleum underground storage tanks. This fund will set aside money from the Wastewater Department into the Underground Storage Tank Financial Responsibility Deductible Fund to be dedicated as a potential deductible that would be payable in the event of an underground or above ground petroleum spill. Kabrick stated that the amount of money set aside in this fund is set by State Statute. The amount that will be deposited into the fund is \$15,000. These funds will be transferred from the Wastewater Operating and Maintenance Fund. Kabrick asked for the Board to approve Resolution #USB2016-3, recommending to the Common Council the establishment of the fund.

Alex Emmons made a motion to approve Resolution #USB2016-3 recommending to the Common Council the establishment of the Underground Storage Tank Financial Responsibility Deductible Fund. Keith Masterson seconded the motion. Motion approved, 6-0.

INDIANA TORT CLAIMS NOTICE (DVD-1:05:02)

Attorney Kabrick informed the Board that late last week she received a notice from the Indiana Tort Claims division. This claim named the Utility Service Board as well as Bill Hauersperger, General Manager, and involves the Humane Society and a wastewater line. Kabrick stated that the claim has been forwarded to the City’s insurance carrier and they will be investigating the claim, and further action will be taken if necessary.

UNIFIED DEVELOPMENT ORDINANCE UPDATE (DVD-1:06:23)

Wayne Schuetter stated a meeting to review the final draft of the Unified Development Ordinance will be held Friday. The ordinance will be presented to the Plan Commission soon. Schuetter asked if a settlement had been reached with the original consultant on the project and if the Utilities would receive any portion of that settlement. Attorney Kabrick said they are very close to finalizing a settlement.

There being no further business to come before the Board, the meeting was adjourned at 8:08PM upon motion by Alex Emmons and second by Adam Auffart. Motion approved, 6-0.

The minutes were hereby approved_____ with X without corrections this 19th day of September, 2016.

Attest: _____
Secretary Chairman